



HILLCREST
energy technologies™

Suite 1910 1030 W Georgia St
Vancouver BC, V6E 2Y3
Tel: 604-609-0006
Toll-free: 1-855-609-0006

CSE: HEAT
OTCQB: HLRTF
FRA: 7HIA.F

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Hillcrest Announces Closing of Third and Final Tranche of Over-Subscribed Non-Brokered Private Placement

VANCOUVER, BC, May 15, 2023 – Hillcrest Energy Technologies Ltd. (CSE: HEAT) (OTCQB: HLRTF) (FRA: 7HIA.F) (the “**Company**” or “**Hillcrest**”), announces that it has closed the third and final tranche (the “**Third Tranche**”) of its previously announced non-brokered private placement, issuing a total of 25,162,500 units of the Company (the “**Units**”) at a price of \$0.08 per Unit for gross proceeds of \$2,013,000 (the “**Offering**”). The Third Tranche consisted of the sale of 10,875,000 Units for gross proceeds of \$870,000.00. Each Unit consists of one common share (a “**Share**”) and one share purchase warrant (the “**Warrant**”). Each Warrant is exercisable for an additional common share of the Company at a price of \$0.15 per share for a period of two years.

In connection with the Offering, the Company issued 6,000,000 Units to Donald Currie, a director and Chief Executive Officer of the Company (the “**Insider**”). The Issuance of the Units to the Insider is considered a “related party transaction” subject to Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”). The Company intends to rely on exemptions from the formal valuation and minority shareholder approval requirements provided under sections 5.5(a) and 5.7(a) of MI 61-101 as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves the Insider, exceeded 25% of the Company’s market capitalization. In connection with the purchase of the 6,000,000 Units by the Insider, the Insider sold 5,500,000 Shares with no resale restrictions for a sale price of \$0.09 per Share to a third party in a private transaction. The third party is also entitled to the transfer of 3,000,000 Warrants issued to the Insider pursuant to this Offering, representing 50% of the total Warrants underlying the Units for which the Insider subscribed, for no additional consideration.

All securities issued in connection with the Offering will be subject to a four month and one day hold period.

The Company intends to use the proceeds from the Offering for ongoing technology development and commercialization activities, and general working capital.

The securities of the Company referred to in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws. Accordingly, the securities of the Company may not be offered or sold

within the United States unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This press release does not constitute an offer to sell or a solicitation of any offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Hillcrest Energy Technologies

Hillcrest Energy Technologies is a clean technology company developing high-value, high-performance power conversion technologies and digital control systems for next-generation powertrains and grid-connected renewable energy systems. From concept to commercialization, Hillcrest is investing in the development of energy solutions that will power a more sustainable and electrified future. Hillcrest is publicly traded on the CSE under the symbol "HEAT," on the OTCQB Venture Market as "HLRTF" and on the Frankfurt Exchange as "7HIA.F". For more information, please visit: <https://hillcrestenergy.tech/>.

CONTACT INFORMATION

Investor Relations

Don Currie

info@hillcrestenergy.tech

O: +1 604-609-0006

Toll-free: 1-855-609-0006

Or

Walter Frank/Jennifer Belodeau

IMS Investor Relations

hillcrest@imsinvestorrelations.com

O: +1 203-972-9200

Public Relations

Jamie L. Hogue

jhogue@hillcrestenergy.tech

O: +1 602-793-9481

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Cautionary Statement Regarding "Forward-Looking" Information

Some of the statements contained in this news release are forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements and information can be identified by the use of words such as "expects," "intends," "is expected," "potential," "suggests" or variations of such words or phrases, or statements that certain actions, events or results "may," "could," "should," "would," "might" or "will" be taken, occur or be achieved. This forward-looking information is provided as of the date of this news release. The forward-looking information reflects our current expectations and assumptions and is subject to a number of known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from any anticipated future results,

performance or expectations expressed or implied by the forward-looking information. No assurance can be given that these assumptions will prove correct. Forward-looking statements and information are not historical facts and are subject to a number of risks and uncertainties beyond the Company's control. Investors are advised to consider the risk factors under the heading "Risks and Uncertainties" in the Company's MD&A for the year ended Dec. 31, 2021, available at www.sedar.com for a discussion of the factors that could cause the Company's actual results, performance and achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, except as may be required by law.

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